# **SG Market Weekly Update**



#### Weekly Wrap of STI

The STI ended 0.63% or 20.59 points lower on Friday to close at 3,265.73, as US President Donald Trump's recent threat to increase tariffs on China took their toll on Singapore equities. For the week, the STI was down 59.25 points or 1.3%.

The STI opened lower at the start of week, following most Asian equities on Monday. The local bourse also felt the effects of investor caution ahead of a week of central bank meetings. The Singapore bourse also saw shares of some electronic contractors fall by more than 10% during the week. DBS's weaker than expected results however, and the ongoing trade uncertainty saw the STI close lower for

Year to date, the STI index is down by 3.6% while the Catalist index is down by 19.1%.

#### Week Ahead: 6 Aug - 10 Aug 2018

Economic: SG Foreign Reserves (7 Aug), CH Foreign Reserves (7 Aug), CH Trade Balance (8 Aug), CH Imports YoY (8 Aug), CH Exports YoY (8 Aug), US Initial Jobless Claims (9 Aug)

Company Results: Manulife US REIT, Sasseur REIT, Raffles Medical Group (6 Aug), TeleChoice Intl, China Sunsine Chemical Hldgs, Singapore Reinsurance Corp, Best World Intl, StarHub (7 Aug), Kingsmen Creatives, Fragrance Group, Frasers Property, Singtel, ST Engineering, CapitaLand (8 Aug), ComfortDelGro Corp, Nordic Group, Hotel Royal (10 Aug)

#### **Companies News**

#### 1. Pacific Star Development sold out Bangkok condo's Phase 1 launch

Catalist-listed Pacific Star Development ("PSD") has sold all 450 units in its first sales phase for The Posh Twelve mixed-use development in Bangkok at an average S\$390 per square foot (psf). Besides locals in Thailand, buyers from Hong Kong, Macau, mainland Chinese and Singapore also signed up following marketing efforts in those countries, the Asean-focused developer said. It will launch another 190 units for sale in August. These 640 units in total comprise 1 tower out of 2 at the mixed-use development in Bangkok's city fringe. There are also plans to possibly release the other tower for sale in Q4 this year. All in all, The Posh Twelve has a combined 1,373 residential units in addition to another seven commercial units on the ground floor. The Posh Twelve is currently under construction and is expected to be completed in the first quarter of 2020. Pacific Star Development last closed on July 26 at S\$0.18.

#### 2. Moya Holdings net profit up more than five-fold to S\$7.2m

Moya Holdings Asia's net profit for the second quarter ended June 30 rose to S\$7.2 million, more than 6 times the Q2 2017 net profit of S\$1.2 million, mainly due to contribution from a new acquisition. Revenue for the quarter was up 130% year-on-year to S\$48.6 million from S\$21.1 million, the Indonesia-based water treatment company said in its results release after the market closed last Wednesday. The rise was mainly attributable to a full 6-month contribution from the Acuatico Group, acquired in June 2017, compared to a 1month contribution in the first half of FY2017, said Moya Holdings. Acuatico Group contributed S\$73 million in the first half of FY2018, representing 78% of total revenue. Earnings per share for the second quarter were S\$0.0026, compared to S\$0.004 for Q2 2017. The group said it will continue to consolidate private water treatment players in Indonesia via mergers and acquisitions. Moya Holdings shares closed \$\$0.001 or 1.1% higher at S\$0.93 last Wednesday before the results release.

#### 3. Mary Chia Holdings net loss narrowed to S\$5.8m for FY2018

Catalist-listed slimming services chain Mary Chia Holdings have reported a narrower net loss of \$\$5.8 million for the financial year ended March 31, compared to a net loss of \$\$6.1 million for the previous year. Revenue was flat at \$\$9.2 million, after an increase in revenue from the sale of its subsidiary's brand. JUVE Daily Essence, was offset from decreases in revenue due to the closure of retail outlets in Singapore and Malaysia. As at March 31, the group had 15 retail outlets in the 2 countries, down from 18 a year ago. Loss per share was S\$0.0356, compared to S\$0.00375 for the previous financial year. Following the property title transfer on May 7, the group will recognise a gain on disposal of approximately S\$4.9 million in FY2019. Mary Chia said it expects the operating environment to remain challenging amid weak consumer sentiments, rising operating costs and a tight labour market. It added that it will explore various options to enhance its financial position through discussions with strategic investors and/or partners.

#### 4. E-commerce solutions firm Synagie to raise S\$9.8m net proceeds on Catalist

Home-grown e-commerce solutions provider Synagie Corp ("Synagie") has priced its initial public offering ("IPO") at S\$0.27 per share, to raise net proceeds of S\$9.8 million. The IPO comprises a placement tranche of 39.2 million shares and a public offer of 3.8 million shares. Synagie will be listed on the Catalist board of the Singapore Exchange, with a market cap of S\$70.7 million based on the issue price. The public offer closes at noon on Aug 6, with trading to commence at 9am on August 8. The Synagie dashboard allows brand partners to monitor their orders and sales across the various online marketplaces like Lazada and Qoo10 in real time, and watch consumers' buying patterns to manage inventory or adjust their marketing strategies. Synagie's IPO is priced at 5.75 times sales based on the group's pro forma 2017 results and a market cap of S\$70.7 million.

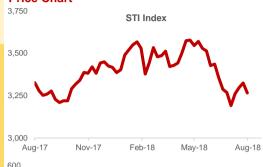
#### 5. AnnAik to build and operate S\$2.59m wastewater treatment plant

Catalist-listed AnnAik has landed a wastewater treatment plant project in China, the group announced after the market closed last Monday. Subsidiary ChangXing LinSheng Wastewater Treatment Co ("CX LinSheng"), in which AnnAik has an 88% stake, has been awarded additional service concession rights to build and operate the plant in Lincheng, under an extension investment framework agreement with the municipal government. Construction of the plant is expected to be completed by the third quarter of 2019. Concession rights will begin from when the plant starts commercial operations. The total investment for the project is estimated at up to S\$2.59 million, subjected to relevant final approval. This is not expected to have any material impact on the net tangible assets or earnings per share for the financial year ending December 31 2018, although the project is expected to contribute to the net tangible assets or earnings per share for the following financial year.

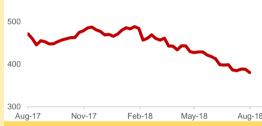
#### **Market Snapshot**

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3,265.7	5.09	0.2%	1.3%	<b>7</b> 3.6%
SG Mid Cap	723.9	2.59	0.4%	1.5%	<b>5</b> .6%
SG Catalist	380.0	0.59	0.2%	2.0%	<b>7</b> 19.1%
SG Small Cap	377.4	1.29	0.3%	1.2%	<b>9</b> .5%

#### **Price Chart**



#### SG Catalist



#### **IPO News**

### 1. Memstar to transfer listing status to TBN in exchange

Memstar Technology ("Memstar") has agreed to sell its listed status on the Singapore Exchange ("SGX") to Thailand mall operator TBN Property Co ("TBN") in exchange for shares of the incoming company. Memstar is a cash company facing delisting from the SGX Mainboard. TBN, which may have to conduct a compliance placement to restore its public float, will also seek to transfer from the mainboard to SGX's sponsorbased Catalist platform. The deal - targeted to be completed by March 31, 2019 - represents Memstar's second reverse takeover attempt to avert compulsory delisting by the SGX, which does not allow cash companies to list. Memstar's shares have been suspended since June 2016.

2. FWD said to be mulling Singapore dual-class IPO Hong Kong billionaire Richard Li's FWD Group ("FWD") is considering listing in Singapore with a dual-class structure, as the insurer moves ahead with its IPO preparations. The Hong Kong-based company is also considering its home city as a potential listing venue, according to sources. FWD has started laying the groundwork for an IPO that could take place in the next couple years, Bloomberg News reported last month. A Singapore listing of FWD, which manages more than US\$26.6 billion of assets, would be a coup for the South-east Asian exchange as it seeks to grab a greater share of deals from competing financial centres. The bourse last month joined Hong Kong in approving regulations that allow companies to list with dual-class shares. FWD has expanded in Japan and South-east Asia and tied up with banks in the region to sell its insurance policies. The company had more than 2.7 million customers spread across 8 Asian markets at the end of last vear, its website shows.

#### CAPITAL MARKET NEWS

## 1. Singapore's financial sector to undergo IMF's comprehensive assessment for 3rd time

The Monetary Authority of Singapore ('MAS") announced last Wednesday that the Republic will undergo the International Monetary Fund's ("IMF") Financial Sector Assessment Programme ("FSAP") this year, its third such test. The FSAP will assess the resilience of Singapore's financial sector, the quality of MAS's regulatory framework and supervision, and the capacity of the authorities to manage and resolve financial crises. The IMF FSAP delegation will visit Singapore in November 2018 and February 2019 to perform the assessment.

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